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SENATE BILL 5865

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State of Washington

54th Legislature

1995 Regular Session

By Senators Snyder, Newhouse, Heavey and Winsley

Read first time 02/10/95. Referred to Committee on Labor, Commerce & Trade.

1 AN ACT Relating to the assignment of rights of lottery prize  
2 winners; amending RCW 67.70.100; and creating a new section.

3 BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF WASHINGTON:

4 NEW SECTION. **Sec. 1.** The Washington state lottery act under  
5 chapter 7, Laws of 1972 2nd ex. sess., provides, among other things,  
6 that the right of any person to a prize shall not be assignable, except  
7 to the estate of a deceased prize winner, or to a person designated  
8 pursuant to an appropriate judicial order. Current law and practices  
9 provide that those who win lottery prizes are paid in annual  
10 installments over a period of twenty years. The legislature recognizes  
11 that some prize winners, particularly elderly persons, those seeking to  
12 acquire a small business, and others with unique needs, may not want to  
13 wait to be paid over the course of up to twenty years. It is the  
14 intent of the legislature to provide a restrictive means to accommodate  
15 those prize winners who wish to enjoy more of their winnings currently,  
16 without impacting the current fiscal structure of the Washington state  
17 lottery commission.

1       **Sec. 2.** RCW 67.70.100 and 1982 2nd ex.s. c 7 s 10 are each amended  
2 to read as follows:

3       (1) Except under subsection (2) of this section, no right of any  
4 person to a prize drawn is assignable, except that payment of any prize  
5 drawn may be paid to the estate of a deceased prize winner, and except  
6 that any person pursuant to an appropriate judicial order may be paid  
7 the prize to which the winner is entitled.

8       (2) The payment of any prize or portion of the remainder of an  
9 annuity may be assigned to another person, subject to the following  
10 conditions:

11       (a) The prize winner provides the commission with an affidavit to  
12 the effect that the:

13       (i) Prize winner is not acting under duress;

14       (ii) Prize winner is represented by independent legal counsel; and

15       (iii) Prize winner has received independent financial and tax  
16 advice concerning the effect of the assignment.

17       (b) The commission and the director will not pay the assignee an  
18 amount in excess of the annual payment entitled to the assignor.

19       (c) The commission and the director may develop rules to establish  
20 a system of verifying the validity of a third party assignment claim,  
21 to effect the payment of the annuity to the assignee, and to establish  
22 a reasonable fee for any expenses incurred in order to comply with this  
23 section. The fee shall be deducted from the initial annuity payment  
24 made to the assignee.

25       (3) The commission and the director shall be discharged of all  
26 further liability upon payment of a prize pursuant to this section.

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